

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2161 - SB 2849

February 16, 2020

SUMMARY OF ORIGINAL BILL: Requires the Commissioner of the Department of Commerce and Insurance (Commissioner) to promulgate rules to prohibit the use of a certificate of insurance that contains any false or misleading information. Defines “certificate of insurance” as a document issued by an insurer as evidence of property or casualty insurance coverage that does not include a policy of insurance. Authorizes the Commissioner to issue a cease and desist order or assess a civil penalty of no more than \$1,000 against a person found in violation of these provisions.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (014541): Deletes and replaces all language after the enacting clause such that the only substantive changes are: (1) defines “casualty insurance” and “property insurance”; and (2) deletes requirement for the Commissioner of DCI to promulgate rules to prohibit the use of a certificate of insurance that contains any false or misleading information.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The proposed legislation defines a “person”, which is prohibited from issuing a certificate of insurance containing false or misleading information, as any individual, partnership, corporation, association, or other legal entity, including government.
- It is presumed that all governmental entities that issue insurance policies will adhere to the provisions of the legislation.
- It is estimated that there will not be a sufficient number of prosecutions for the state to see a significant increase in civil penalty revenue.

- No significant fiscal impact to state or local government.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The proposed legislation is not estimated to result in a sufficient number of prosecutions for business expenditures to significantly increase from civil penalty fines.
- No significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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